

Meeting date: 26 October 2020
Report to: Remuneration Committee



Subject/report title: Severance Cases Approved 2019/20
Report from: Director of Resources and Deputy Chief Executive
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Wards affected:

All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | St Alphege

Public/private report: Public

Exempt by virtue of paragraph: N/A

1. Purpose of Report

1.1 To inform the Committee of the Severance cases approved during 2019/20.

2. Decision(s) recommended

2.1 The Committee is asked to note the report.

3. Matters for Consideration

3.1 The Council's severance scheme has been developed in recognition of the additional costs for redundancy and early access to pension.

3.2 The Severance Reserve is only utilised when there are significant costs, either arising from large scale restructuring and change programmes or where the service cannot be expected to fully fund these costs. Funding from the Severance Reserve has to be approved by the Corporate Leadership Team (CLT).

3.3 Services funded by grant (including the Dedicated Schools Grant) are expected to fully fund all costs relating to any early leavers.

3.4 A breakdown of each severance case, including the total costs can be found in Appendix A.

- 3.5 2019/20 saw a number of operational and legislative changes, as well as transformation of services within the Council. The majority of the 57 severance cases in the financial year resulted from service changes in the following areas:
- Adult Care and Support – During 2019/20 the Adult Care and Support Directorate delivered service changes to support a number of Medium Term Financial Strategy (MTFS) savings targets, including the following; the absorption of the Community, Rehabilitation, Enablement and Support Team into the Reablement Team, which resulted in the majority of the team taking up alternative roles elsewhere; the review of the Community Equipment Service, which resulted in a small reduction in the staffing requirement of the function; and the redesign of day care, which has involved consolidation of the day centre sites into two centres, resulting in some changes to staffing numbers, as well as reduced running costs for the services.
 - Childrens Services & Skills – The costs predominantly relate to the closure of the Council's Primary Aged Pupil Referral Unit following a review of service and the development of alternative provision.
 - Economy and Infrastructure – In 2019/20 the Economy and Infrastructure Directorate reviewed the structures for both the Highways and Stronger Communities service areas which resulted in the deletion of a number of posts. The new structure is focused on building stronger and safer communities, and creating increased resilience to meet future demands within services.
 - Resources - A small number of posts were deleted during 2019/20 in response to MTFS targets, a changing customer base and to achieve operational efficiency.
 - In addition to the above Core Council cases, 2019/20 has seen a number of redundancies take place at Solihull grant maintained schools, the cost of which totalled £0.257 million.
- 3.6 The total cost of the 57 cases was £1.182 million, £0.458 million of which was funded from the Severance reserve and £0.724 million from individual Directorate/School budgets.
- 3.7 These costs should be viewed in the context of the savings that the Council is delivering as part of the MTFS; the target of which for 2019/20 was £11.167 million.
- 3.8 In addition to the severance cases detailed in Appendix A, there were also 11 cases where discretions have been applied under the LGPS regulations 2013 and LGPS transitional provisions and savings regulations to allow staff members aged 55 or over to reduce their hours and/or grade and access accrued benefits from their pension.
- 3.9 In four of these cases, there was a cost to the Council of the staff accessing these benefits, totalling £0.122 million. These costs were funded from individual Directorate budgets. All of these cases met the Council's internal payback requirements and were approved by the Director of Resources and Deputy Chief Executive under his delegated authority or by Remuneration Committee during the year.

4. What options have been considered and what is the evidence telling us about them?

4.1 N/A

5. Reasons for recommending preferred option

5.1 N/A

6. Implications and Considerations

6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
<p>Economy:</p> <ol style="list-style-type: none">1. Revitalising our towns and local centres.2. UK Central (UKC) and maximising the opportunities of HS2.3. Increase the supply of housing, especially affordable and social housing.	<p>The severance reserve and commitments against, the budget and MTFS address all of the Council's priorities.</p>
<p>Environment:</p> <ol style="list-style-type: none">4. Enhance Solihull's natural environment.5. Improve Solihull's air quality.6. Reduce Solihull's net carbon emissions.	<p>The severance reserve and commitments against, the budget and MTFS address all of the Council's priorities.</p>
<p>People and Communities:</p> <ol style="list-style-type: none">7. Take action to improve life chances in our most disadvantaged communities.8. Enable communities to thrive.9. Sustainable, quality, affordable provision for adults & children with complex needs.	<p>The severance reserve and commitments against the budget and MTFS address all of the Council's priorities.</p>

6.2 Consultation and Scrutiny:

6.2.1 This report has not been presented to a Scrutiny Board.

6.3 Financial implications:

6.3.1 The balance of the Severance Reserve at 31 March 2020 was £1.489 million. This includes a planned top-up to the reserve during the year of £1.000 million, which was approved as part of the 2019/20 MTFS.

6.4 Legal implications:

6.4.1 None

6.5 Risk implications:

6.5.1 Based on the information provided, it is the officers' opinion that the significant risks have been identified, assessed and arrangements are in place to manage them effectively.

6.6 Equality implications:

6.6.1 There are no direct equality or diversity implications as a result of this report.

7. List of appendices referred to

7.1 Appendix A

8. Background papers used to compile this report

8.1 None

9. List of other relevant documents

9.1 None